

Message Text

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PAGE 01 USUN N 03828 01 OF 02 152033Z

ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-10
CIAE-00 DODE-00 PM-05 H-02 INR-07 L-03 NSAE-00
NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 AID-05
CEA-01 COME-00 EB-08 FRB-01 STR-05 TRSE-00 LAB-04
SIL-01 OMB-01 DHA-05 INT-05 /166 W
-----048605 152047Z /61

P R 151945Z OCT 77

FM USMISSION USUN NEW YORK

TO SECSTATE WASHDC PRIORITY 6264

AMEMBASSY LAGOS PRIORITY

INFO AMEMBASSY BONN

AMCONSUL DURBAN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PRETORIA

AMCONSUL CAPETOWN

AMCONSUL JOHANNESBURG

AMEMBASSY BRUSSELS

UNCLAS SECTION 1 OF 2 USUN 3828

USEEC

E.O. 11652: N/A

TAGS: ESTC, SF, NI

SUBJECT: NIGERIAN "EMBARGO" AGAINST COMPANIES DEALING
WITH SOUTH AFRICA

1. IN DINNER SPEECH TO EIGHTY TOP AMERICAN BUSINESS
LEADERS, IN NEW YORK THURSDAY NIGHT, OCTOBER 13, OBASANJO
CLOSED HIS REMARKS WITH FOLLOWING "CAVEAT."
BEGIN QUOTE

WHEN ALL IS SAID AND DONE, THERE IS A TEMPORARY
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PAGE 02 USUN N 03828 01 OF 02 152033Z

CAVEAT WHICH COVERS ALL THAT I HAVE SAID SO FAR. I SAY
TEMPORARY BECAUSE WE ARE COMMITTED TO A CHANGE IN THE
SITUATION WARRANTING THE CAVEAT IN THE SHORTEST TIME
POSSIBLE. I AM REFERRING HERE TO THE TWIN PROBLEMS OF
COLONIALISM AND RACISM IN SOUTHERN AFRICA. THE INTRAN-
SIGENCE OF THE MINORITY REGIMES THERE HAS CREATED A
SITUATION WHEREBY WE HAVE TO USE EVERY WEAPON IN OUR

ARMOURY TO BRING ABOUT MAJORITY RULE IN RHODESIA, NAMIBIA AND SOUTH AFRICA. WE ARE COMPELLED IN THIS CIRCUMSTANCE TO INSIST THAT THOSE WHOSE ECONOMIC ACTIVITIES IN THESE TERRITORIES HELP TO KEEP THE MINORITY REGIMES AFLOAT CANNOT BE OUR FRIENDS AND SHOULD NOT EXPECT TO BE ABLE TO PROFITABLY DO BUSINESS WITH US.

I AM ADVISED THAT A COMPARISON OF THE VOLUME AND VALUE OF US TRADE AND INVESTMENT IN THESE OUR COUNTRIES WITH THE MINORITY REGIME TERRITORIES SHOWS A TREND IN OUR FAVOUR. WE ARE QUITE HAPPY WITH THIS TREND. WE ARE HOWEVER SCREENING ALL FOREIGN CONTRACTORS AND BUSINESS FIRMS WITH A VIEW TO DISCRIMINATING AGAINST ALL THOSE WHO HAVE BUSINESS RELATIONS WITH

RHODESIA AND SOUTH ASRICA. THE ACTION OF PRESIDENT CARTER'S ADMINISTRATION IN REGARD TO UN IMPOSED SANCTIONS ON RHODESIAN CHROME AND THE BYRD AMENDMENT IS WELCOME. SUCH BUSINESS FIRMS ARE HOWEVER FREE TO DISCONTINUE THIS RELATIONSHIP OR AT THE LEAST DO NOTHING TO EXPAND IT, IF THEY FEEL THAT THEIR BREAD IS BETTER BUTTERED ON OUR SIDE. INVESTORS AND BUSINESSMEN ARE HARDHEADED CALCULATORS AND I WILL LEAVE YOU TO DECIDE AND CHOOSE BETWEEN DOING BUSINESS WITH US OR WITH THE RACIST REGIMES IN SOUTHERN AFRICA. IT IS AN UNFORTUNATE SITUATION BUT LET ME
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PAGE 03 USUN N 03828 01 OF 02 152033Z

ASSURE YOU THAT EVERYING POSSIBLE IS BEING DONE TO REMOVE THE NEED FOR YOU TO CHOOSE. WHENEVER AND AS SOON AS SOUTH AFRICA REVERTS TO THE DEMOCRATIC PRINCIPLES OF ONE MAN ONE VOTE IN ITS POLITICAL SYSTEM YOU WILL HAVE THE ADVANTAGE OF DOING BUSINESS IN LAGOS AND PRETORIA UNHINDERED.

EN QUOTE

2. THE NEXT MORNING, OCT 15, DURING RELAXED AND CANDID DISCUSSION WITH TWENTY SELECTED MEMBERS OF THE PRESS, PRIMARILY AMERICAN, IN HIS SUITE AT THE WALDORF ASTORIA HOTEL, THE FOLLOWING INTERCHANGE TOOK PLACE BETWEEN OBSANJO AND SERVERAL JOURNALISTS. THESE STATEMENTS HAVE BEEN RECONSTRUCTED FROM ROUGH NOTES OF JOURNALISTS WHO ATTENDED THE MEETING.

QUESTION: IN YOU SPEECH YESTERDAY, YOU TALKED ABOUT COMPANIES HAVING TO CHOOSE BETWEEN YOUR HOSPITALITY AND THEIR INTEREST IN SOUTH AFRICA. COULD YOU EXPAND ON WHAT IS IMPLIED IN THAT STATEMENT AND WHAT YOU PLAN TO DO ABOUT IT?

ANSWER: WHAT IS IMPLIED IS THAT APARTHEID IS A PHILOSOPHY AND A POLICY THAT WE HAVE TO FIGHT. I BELIEVE IT IS NOT AFRICANS ALONE BUT ALL OF MANKIND WHO MUST FIGHT. THE QUESTION IS, HOW TO FIGHT. WHAT PROPS UP APARTHEID IS INVESTMENT IN SOUTH AFRICA AND THE MULTINATIONALS IN PARTICULAR. THERE ARE TWO WAYS WE CAN GO ABOUT DEALING WITH IT: ONE, WE CAN LEAVE THE MULTINATIONALS ALONE, AND WHEN THE BONFIRE STARTS, THEY WILL BE VICTIMS OF IT TOO. THE NECESSARY ALTERNATIVE IS TO SOUND A NOTE OF WARNING SO THAT THE BONFIRE MAY NOT COME, AND THERE IS CHANGE WITHOUT MUCH BLOODSHED OR LOSS OF PROPERTY. IF WE PURSUE THIS LINE, WE WILL SAVE MANKIND A TRAGEDY.
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PAGE 04 USUN N 03828 01 OF 02 152033Z

QUESTION: ARE YOU THINKING OF EMBARGOING SPECIFIC COMPANIES?

ANSWER: WE ARE NOT INTO SPECIFICS YET. WE ARE IN THE AREA OF COLLECTION, COLLATION, AND INTERPRETATION OF INFORMATION. BUT WE WILL MAKE USE OF THE INFORMATION AFTER IT HAS BEEN SIFTED OUT.

QUESTION: HOW DOES THE NEW POLICY ABOUT COMPANIES WITH INVESTMENTS IN SOUTH AFRICA AFFECT THE PROSPECTS FOR INVESTMENT IN NIGERIA?

ANSWER: IF A COMPANY CANNOT "PROGRESIVELY WITHDRAW FROM SOUTH AFRICA,"NIGEIRA WILL MAKE WHATEVER SACRIFIC TO DEVELOPMENT IT MIGHT MEAN NOT TO HAVE THAT COMPANY THERE. COMPANIES SHOULD DISCONTINUE INVESTMENT IN SOUTH AFRICA, AND SHOULD HAVE A PROGRAM OF GRADUAL WITHDRAWAL OF INVESTMENT THEY NOW HAVE IN SOUTH AFRICA. IF THEY DON'T HAVE SUCH A POLICY, THEY CANNOT INVEST IN NIGERIA.

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PAGE 01 USUN N 03828 02 OF 02 152034Z
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CIAE-00 DODE-00 PM-05 H-02 INR-07 L-03 NSAE-00
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FM USMISSION USUN NEW YORK

TO SECSTATE WASHDC PRIORITY 6265

AMEMBASSY LAGOS PRIORITY

INFO AMEMBASSY BONN

AMCONSUL DURBAN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PRETORIA

AMCONSUL CAPETOWN

/AMCONSUL JOHANNESBURG 169

AMEMBASSY BRUSSELS

UNCLAS SECTION 2 OF 2 USUN 3828

USEEC

QUESTION: HAVE THERE BEEN ANY SPECIFIC CASES YET?

ANSWER: WE HAVE ONLY VERY RECENTLY HAD AN OCCASION

WHERE A COMPANY WANTING TO DO BUSINESS WITH US

GAVE INDICATION OF CESSATION OF FURTHER INVESTMENT

IN SOUTH AFRICA AND OUTLINED A PROGRAM TO WITHDRAW.

QUESTION: WAS IT AN AMERICAN COMPANY?

ANSWER: IT WAS A WEST GERMAN COMPANY?

QUESTION: CAN YOU GIVE US MORE DETAILS ABOUT

THE POLICY?

ANSWER: WE ARE EMBARKING ON A POLICY. WHEN YOU

DO THIS, YOU GET GRADUALLY TO THE STAGE WHERE YOU

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PAGE 02 USUN N 03828 02 OF 02 152034Z

HAVE A POLICY. PEOPLE WHO RAN AFOUL OF THIS POLICY

BEFORE NIGERIA HAD THE POLICY--THAT IS A

DIFFERENT MATTER. IF YOUR COMPANY HAS A SUB-

SIDIARY IN SOUTH AFRICA AND ONE IN NIGERIA, WE WILL

WORK OUT A PROGRAM FOR THAT KIND OF CASE, AND THEN

WHEN WE HAVE, WE WILL ANNOUNCE IT. BUT IF YOU WANT

TO COME IN ANEW, YOU WILL HAVE TO MAKE THE CHOICE.

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Message Attributes

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Disposition Approved on Date:
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Disposition Comment:
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